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ABSTRACT

Iowa's Job Retraining Program was evaluated through a review of operations, surveys/interviews with community college staff, and survey responses from 43% of the business participants. Resulting recommendations were as follows: (1) retaining the program in the Department of Economic Development rather than transferring it to the state's 15 community colleges; (2) improving program planning by having the community colleges submit a list of "probable" applications for the first 6 months of the fiscal year and then another for the second 6 months; (3) eliminating the requirement that businesses meet only one of three criteria to be eligible for a grant or forgivable loan or at least providing a measurable way to judge an increase in the quality of positions; (4) encouraging smaller companies to participate by proposing alternative funding and reducing or eliminating the required one-to-one match; (5) asking the Department of Education to offer community colleges some incentives for providing Job Retraining Program instructors; and (6) using a single form on which businesses can provide available information for evaluation. (The document describes the program, its operation, and the comments of program staff; summarizes the survey and interviews with the staff of participating community colleges; and reports the results of the survey of business participants.) (CML)

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Evaluation of the Job Retraining Program

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STATE OF IOWA
LEGISLATIVE FISCAL BUREAU

July 1991

The Honorable Bob Arnould
Chairperson of the Legislative Council
State Capitol

Dear Chairperson Arnould:

During the 1989 Legislative Session, the General Assembly passed House File 550, which required the Legislative Fiscal Bureau (LFB), to conduct an evaluation of the Job Retraining Program of the Department of Economic Development. Interest in this Program was prompted by the recognition of the General Assembly that Iowa businesses have a need to retrain employees, modify operational processes, and retool equipment in order to maintain a competitive edge in a rapidly changing technological environment.

The Program has operated for two fiscal years, and 90 companies have been awarded $3.3 million in financial assistance. These projects will provide retraining to approximately 14,000 Iowa employees, at an average State cost of $256 per employee.

The report contains several recommendations and policy options presented for the Department of Economic Development and General Assembly's consideration. Additionally, the Legislative Council is asked to extend the study through the end of FY 1993, to provide an opportunity to measure some of the economic impacts of the Program.

The LFB received the cooperation of the Department of Economic Development and thirteen of the Iowa community colleges in the collection of information necessary for the completion of this report. Additionally, 43% of the businesses receiving assistance provided information about the Program from their perspective.

The report was prepared by Douglas Wulf (project supervisor), John Hawley, Sue Lerdal and Jon Studer, with assistance from Nicole Navara. If you have any questions regarding this report or wish to see copies of the specific questions asked in the business or community college surveys, please contact Douglas Wulf (281-3250) or John Hawley (281-7799).

Respectfully submitted,

Douglas P. Wulf

Douglas P. Wulf
Principal Legislative Analyst

Introduction

Iowa has developed a variety of programs aimed at assisting businesses to maintain a competitive advantage and train employees to obtain the skills necessary to assure a well-trained and productive work force. The majority of the programs have been aimed at business start-up or expansion and the training of new employees. However, the Legislature has determined that there is also a demand among existing businesses which need to adopt new technologies and diversify product lines in order to retain competitive and viable operations. These companies often are not adding staff, but have a need to retool both the physical plant and the equipment and machinery base.

In an effort to provide assistance to companies in this situation, the General Assembly passed House File 550 (The Job Retraining Act) creating the Job Retraining Program at the Department of Economic Development (DED) during the 1989 Legislative Session. The Job Retraining Program is designed to assist companies in retraining current employees in areas where new technologies are being implemented through retooling, and without the training provided, the companies will lose their competitiveness and ultimately lay off employees. It was the intention of the Legislature the Program benefit both businesses and employees. Businesses would benefit by maintaining viability in a competitive world market. Employees would benefit by increasing the overall skill level of Iowa employees, thus increasing the pool of employees which have the skills necessary for the demands of the future job market. The Program would, if it operated as intended, help Iowa firms maintain or even expand their respective market share, foster business expansion, stimulate job creation in some industries, and at a minimum insure job retention.

Included in the Legislation was a mandate that the DED prepare and submit an Annual Report prior to each Legislative Session on the progress of the Program. The first Annual Report was submitted to the Legislative Fiscal Committee on June 12, 1991 and copies are available from the DED or the Legislative Fiscal Bureau (LFB).

Additionally, the LFB was required to conduct an evaluation of the Program. The LFB was instructed to, at a minimum, consider the following items in its review of the Program:

1. The number of loans, forgivable loans, or grants provided.
2. The number of loans defaulted.
3. The average size of the business receiving retraining assistance.
4. The effect of the programs upon wages of participating workers and nonparticipating workers.
5. The effect of retraining programs on the State's economy.

This report includes a three-phase review of the Program. First, a descriptive overview of the Program, its operations within the DED and the comments of Program staff about its operation. Second, a summary of the results of a survey and interviews with community colleges involved in identifying businesses with retraining needs and assisting those businesses in the application and

training process. Finally, a review of the results of a phone survey with a sample of business participants.

Program Operations At DED

The Job Retraining Program legislation provides that a business can apply for assistance from the DED which would enable it to retrain employees to meet its retooling needs, provided that the business will retrain existing employees. A participating business can use the assistance provided to pay for basic adult education (math, reading, etc.) which are necessary for the employee to function successfully in the workplace, or to pay for job specific training (training required to handle new machinery, new methodologies, new management practices, etc.). Additionally, vocational and skill assessment services and testing, training facilities, equipment essential to the training, training materials and supplies, college and company administrative expenses, and salaries of the trainers are appropriate Program-related expenses.

According to the DED, applications are submitted by Iowa's community colleges on behalf of the businesses which are applying for assistance. The colleges market the Program and recruit eligible businesses for participation. After an application is received, the DED conducts a review of the applications and can accept, deny, or request modification of the application. Each project is scored on a variety of factors established in the administrative rules for the Program. Among the factors included are the following:

1. The quality of the jobs to receive the retraining.
2. Whether there is a new operation or market diversification involved.
3. Whether there is a new manufacturing process being established.
4. Past performance of the retraining agency.
5. Feasibility of the retraining project.
6. The need of the company for the project to avoid layoffs.
7. The viability of the company.
8. The level of company funds being invested in retraining.

Initially, a panel of 7 members (6 staff from DED and one representative from the Department of Education) met formally to discuss each application and jointly determine if a project should receive funding. However, the Department has modified its procedure so that 4 DED staff members independently review the applications and only meet as a panel if there are significant problems with the application or a member feels that the application should be denied.

Businesses must demonstrate how the retooling efforts impact the skill needs of their employees, provide a minimum matching financial contribution of one-to-one, illustrate how the retooling/retraining project will open new or diversified market opportunities or create a new

manufacturing or managerial process, and explain the feasibility of the retraining plan. In order to receive a forgivable loan or a grant, businesses must also show one of the following:

1. A net increase in the number of employment positions.
2. A net increase in the wages paid to participating workers.
3. A net increase in the quality of the employment positions held by participating workers.

Once the applications are approved, a contract is drawn up with the business, the sponsoring community college, and the DED all as signatories. The award is then advanced to the community college which in turn reimburses the business for actual retraining expenditures. Community Colleges charge the business fees for the services they provide. Fees charged to the businesses vary by project and by community college for the application and administration of the projects. Application fees charged to date range from $55 to $1,500 and an administrative fee may either be charged as a part of the instructional costs if the community college does the training or as a percentage of the award (ranging from 10% to 13.97%). A 13.86% administrative fee is permitted under the Iowa Industrial New Jobs Training Program (280B Program) and evidently an assumption has been made that a similar fee is permitted under the Job Retraining Program. The 280B Program provides similar types of training for businesses creating new jobs for new or expanding businesses.

The majority of the training has been conducted by trainers from the community colleges either at the community college or at the business site. However, some of the projects have utilized in-house trainers or trainers from the private sector with the funds merely passing through the community college for audit and accounting purposes. The community colleges still charge the administrative fee to those businesses which elect to have someone other than community college faculty or associates conduct the training.

Program Funding Allocations

Currently, program funding is allocated on a formula based upon the population of the community college district. (Appendix A provides a breakdown of the allocations made to each community college for FY 1990 and FY 1991). Awards are determined by the DED, the Department of Revenue and Finance approves the amount and then funds are dispersed to the community colleges by the DED. The Program allows community colleges to sponsor more applications for funds than are available to the college with the understanding that if funds allocated are not fully utilized by some community colleges the funds will become available for other projects after March 1. Funding for FY 1991 was reduced from $2.0 million to $1.5 million as a result of the deappropriations during the 1991 Legislative Session. The General Fund appropriation is $1.0 million for FY 1992.

Analysis of the Training Program

Appendix B details the total number of projects receiving funding for FY 1990 was 36 (a total of 38 were approved, but 2 businesses declined) and in FY 1991 was 54. Of these, all single business applications received forgivable loans. Consortium applications, or applications to provide similar

training to a number of businesses at the same time, were funded with grants. Funding levels ranged from $4,464 to $50,000, with an average award being $36,515.

One eligibility requirement for the funding is that a business must match the funding requested at a minimum of one-to-one. Matching levels ranged from $9,152 to $1,000,000, with an average business investment of $118,075. The average ratio of business investment to State funding was three-to-one. Not all of the businesses investments were cash, as the Program allows investment in equipment and staff time to be counted toward the match.

The size of the businesses receiving funding ranged from 9 to 2,770 employees. The average number of employees was 508. The following is a breakdown of the number of employees and the number of businesses receiving awards in each size range.

Number of Employees	Number of Businesses
50 employees or less	13
51 - 100 employees	16
101 - 250 employees	17
251 - 500 employees	15
501 - 1000 employees	16
1001 or more employees	13
Total	90

There are 13,721 employees that will receive training through this Program the first two fiscal years at a total cost of $3.3 million. The average per employee State cost of training is $256, with a range of $46 to $4,167 per employee. Smaller companies were more likely than larger companies to train a larger percentage of the total employees of the business.

Types of training provided included a wide array of machine specific training, cross-training of personnel, basic skills training, supervisory skills training, and management skills training. Below is a breakdown of the number of projects providing various types of training. (Note that the number of types of training provided are more than the number of business participants due to the fact that many businesses provided multiple types of training for various levels of employees.)

1. Machine or process specific training - 12
2. Basic education or basic skills related to industry - 13
3. Team, supervisory, and management training (e.g., Statistical Process Control, Quality Circles, Team Building, Total Quality Management, Just-in-Time) - 46
4. Computer related skills - 14

5. Training trainers - 5
6. Miscellaneous other training - 5

Success Rates and Economic Impacts

As noted by the DED in the Annual Report presented to the Legislative Fiscal Committee on June 12, 1991, it is too early to quantify the results of the Program on the success of training and impacts on the economy. Only a few companies have completed all phases of the training, which can take up to two years. Questions that need to be addressed in this area cannot be answered until at least the companies which were funded during FY 1990 complete the training and further data can be collected.

Efforts are currently in process to collect sufficient information on the companies that complete (or fail to complete) the contracted training schedule. Working with the Department of Employment Services (DES) and the LFB, the DED has developed a set of measures for which data is or will be available to provide the information necessary to answer questions in this area. Examples of questions to be addressed include:

1. Were the contract requirements met?
2. Did the employees completing training receive the salary increases noted in the proposals?
3. Have the companies retained the staffing levels they had prior to the training or have they expanded or reduced the number of employees?
4. Has the company's market share increase or declined?
5. Are individuals who were trained still employed by the business? Still in the industry? Still in the State?
6. How have businesses which utilized the Program fared in comparison to other businesses in the same industry and region?

This type of information will be made available largely through the DES data banks, and data collection is expected to begin early in FY 1992.

DED Staff Concerns and Recommendations

Staff of the DED stated that the Program has been operating satisfactorily. After several initial modifications of the procedures for reviewing and approving applications, the methodology has been constant for approximately the past year.

In relation to the application procedures, the DED staff noted in the Annual Report that larger businesses were at a distinct advantage in completing all application requirements as much of the necessary data was already being collected by them. Smaller businesses often had to create a new or

modified record-keeping system to accommodate the Program. This concern was raised by businesses which were interviewed and by some community college staff. The DED recommended changes to the application procedure relating to financial and other documentation, some of which were adopted during the 1991 Legislative Session in HF 498 (Iowa Retraining Act), which should reduce the increased paperwork for smaller businesses.

The DED would like to have the ability to establish simplified procedures for smaller companies requesting assistance at levels under $5,000, and procedures for paying consulting fees to experts to work with companies over several years rather than the current two-year limit for the training. The latter situation was also noted by some of the respondents in the business survey.

Finally, the DED staff stated that the relationship with the community colleges needs to be improved. According to the DED, some colleges were committing more funds for projects than were available for the fiscal year. This results in projects having to be carried over to the next fiscal year, or only partial funding provided in the first fiscal year and the remaining funding coming from the following fiscal year's allocation. The DED staff noted that this causes confusion for some businesses which believe that the DED may be delaying the project after all the effort the business put into the application process.

The DED also believed that certain programs offered by different colleges could be utilized by businesses in other districts, but that the competition between the colleges was not conducive to sharing programs on a regular basis.

Results Of Survey Of/And Interviews With Community College Staff

In order to obtain the views of the community colleges a survey instrument was designed and sent to the colleges' designees for this Program. All but two of the colleges responded to the questionnaire. Additionally, two of the community colleges were selected for more in depth input and staff of the LFB visited each location and conducted an in-depth interview. The results of the survey and interviews are summarized below. A summary of the responses to the survey instrument is presented in Appendix C.

As with any new Program, it takes time for administrative rules to be adopted and implemented, staff to be hired, and for potential applicants to become familiar with the Program. Comments from the community colleges were varied on many of the issues which were discussed. It was apparent that community college implementation and satisfaction with the Program varied depending upon the size of the community college and their understanding of the governmental oversight process.

Program Solicitation

The community colleges develop and utilize a file of businesses with which they contact and communicate on a regular basis. When a new program such as the Job Retraining Program is instituted, the community colleges notify the businesses in the file of the opportunities for funding

and the process for application. Nearly all of the businesses receiving assistance from this Program were notified in this manner. The remainder either inquired of the community college upon hearing of the Program or learned of the Program through trade publications or the Department of Economic Development's (DED) Digest, a monthly publication.

The procedure for soliciting businesses appears to work effectively provided the community colleges' files are inclusive of all eligible businesses in their area and they notify business of the opportunities for Program eligibility. Some businesses may be missed through this approach, and one business specifically mentioned that better advertisement of the Program in trade journals would be helpful to small businesses.

Application Procedure

To participate in this Program, businesses must complete an application. The community colleges' provide assistance to the businesses during the application processes. The community colleges submit the applications to the DED on behalf of the businesses. If the applications are incomplete or unclear, they are returned to the community college for clarification. In some cases, the DED has contacted the businesses directly for additional information or explanations.

As noted above, the DED review panel initially met monthly as a review committee to evaluate and discuss applications. The process has been streamlined by dispersing applications to committee members for review and comments as the applications arrive at the DED. The community colleges have some concern with the turn-around time for the applications and would like to see the process expedited even further. This was also a concern noted by at least two businesses that responded to the business survey. One business noted that it had taken 5 months to receive notification from the DED of the award and another stated that it had only two weeks notice from the community college to complete all necessary paperwork for the application.

The community colleges stated that the DED could improve the process by setting an internal one-week deadline for turn-around after the application has been received. To do this, the DED could assign two personnel to review all applications under the Program. This would expedite the process over using a team approach, it would eliminate delay due to leave and other commitments, and would provide greater consistency in application evaluation.

There were some complaints from the community colleges about the amount of information required in the applications themselves. Most of the required information in the applications was specified in the original legislation. The legislation was amended during the 1991 Legislative Session to streamline several of the requirements, some of which were deemed to be unnecessary and some which provided an advantage toward larger businesses. The community colleges suggested that the DED should review the application with input from the community colleges and seek to eliminate the criteria not related to the Program itself.

Award Notification

In at least one case, a business had been notified of a pending award by the DED, although the community college board of directors had not given final approval for community college participation. The businesses were later notified of the denial of award after receiving approval from the DED. As the community colleges are the link between business and the DED, it would reduce the potential for dissatisfaction among the applicants if the community colleges were assigned the responsibility to notify the business of approval/denial of the application following the decision of the local board of directors.

Program Funding Allocations

Currently, Program funding is allocated on a formula based upon the population of the community college district (Appendix A). Allocations are calculated by the DED and then funds are dispersed to the community colleges via the State Treasurer's Office. The community colleges would prefer to receive direct appropriations from the State and conduct the application review process themselves. The colleges state this would expedite the application process, would reduce the amount of bureaucracy, and would reduce administrative costs in the DED.

Comments

Community colleges would like to see greater resources provided by the State to fund this Program. It appears that the current funding level is not enough to meet the current and future demand for retraining funds. The community college representatives state that the demand for job retraining will increase dramatically in the future due to the rapid technological changes in the way business is conducted and the increasing need to remain competitive with national and foreign business.

The community colleges were impressed with the way that this Program benefits the existing industry base in the State and does not focus on new business starts or relocations like most of the other job training programs.

The community colleges indicated that benefits to the business includes:

- upgrades of workers skills and provides more marketable work force;
- improves competitiveness;
- assists the lower rank and file of employee rather than only the administrative level of the business;
- provides a positive attitude for employees and for employers toward State government;
- provides assistance to smaller companies;
- encourages diversification;
- reduces production costs;
- improves the relationship between companies and community colleges.

Results of Survey of Business Participants

In an effort to determine the views of business participants about the program and to identify any concerns or recommended changes from the businesses perspective, a telephone survey was developed by staff of the LFB. Staff contacted and obtained responses from 43% of the business participants. Based on the information collected, it is clear that Program participants are satisfied with the Program and the interaction with community college and the DED staff. However, several concerns were noted by various businesses and are discussed below.

Program Solicitation

Businesses were asked to explain how they initially heard about the Program. Only two of the respondents had not initially heard of the Program through a community college. Of those, one had read about the Program in a trade brochure and the other learned about the Program through other business contacts.

Application Procedure

The businesses were also asked to critique the application process and the paperwork involved in the on-going administration of the Program. Most believed that the application materials collected were reasonable and that the community colleges provided sufficient help, when necessary, to clarify and complete the application in the appropriate manner. While the requested material was viewed as necessary given this is a "government" program, most felt it was lengthy and should be reduced if possible. Particularly smaller companies felt that it became a tedious, cumbersome process to assemble all the required information, but it was viewed as acceptable due to the amount of assistance provided by the community college staff. However, without that assistance several indicated they would have not been able to compile all the information necessary.

The additional paperwork involved in the Program resulted in minimal additional work for the companies involved. Only a few companies indicated it was necessary to establish additional record-keeping practices in order to maintain the appropriate materials, and those were companies with fewer than 100 employees. Several companies noted that the record-keeping requirements and the assistance provided by the community colleges in better organizing already collected information has helped with other internal record-keeping needs.

When asked specifically about the level of assistance provided through community colleges and the DED, almost universally the businesses reported the assistance received was good to excellent. More businesses (95%) cited the assistance of the community college than the DED (15%) as being useful to them. This was not an unexpected result as the community colleges work more closely with these business than the DED would have a need to. Among those who indicated they had direct contact with the DED staff, the comments were positive and the businesses believed they were treated appropriately.

Training Program

The majority of respondents noted that they had not completed the training program at the time of the survey. In fact, according to the DED only five companies have completed the training which the Program is helping to fund. Those companies in the process of conducting the training are satisfied with the training the staff are receiving. Several noted that the training has already proven beneficial and that continued training will be modeled after the current training process.

Larger companies were more likely to use internal or a combination of internal and outside trainers while small companies all used outside trainers.

Impact of Training on Business

While it is too soon for most business to determine the effects of the training employees are receiving on productivity and business viability, many respondents indicated positive results already in evidence or had expectations of benefits to come. Typical responses to the training being received include the following:

- The training is essential to the survival of the business.
- Training makes the employees more valuable (productive and knowledgeable) to the company and in the job market.
- Helps the company reduce costs of inefficient processes and practices.
- It is a developmental tool for the staff and the company and will help us maintain or gain market share in the future.
- Enables employees to solve more problems on their own and be more creative.
- Lets the employees know we value them and are willing to invest in them to assure their future and ours (serves as motivator for them).
- Provides managers with a better understanding of the way subordinates can provide input into the operation and the benefits of teamwork.
- Provides cross-training for employees in several skill areas which benefits the company and the employee.
- To stay competitive in the long-term this type of training (retraining) is necessary for most companies in a competitive and changing environment.

Impact of Funding

Companies were asked if training would have been undertaken without the financial assistance provided through the Program. Of those responding, approximately 35% said they would have been unable to conduct the training at this time without the financial assistance. Another 60% of the businesses acknowledged that some training would have been undertaken regardless, but that the funding allowed more depth, quicker start-up, and better planned training than they would otherwise

have been able to pursue. Two companies said they would have done the same or similar training without the funding provided, but that it allowed those resources to be used in other areas of the company.

Future Demand for Retraining/Retooling

All companies noted that there would be a continuing need for retraining to enable Iowa firms to remain competitive and current with available technology. Several companies noted they had increased their training budget substantially and one indicated an increase from $40,000 in 1990 to $2,000,000 for 1992 to provide employee training. Several noted that assistance such as that provided by this Program is essential to maintaining Iowa businesses, particularly small businesses.

Recommended Program Modifications

While many companies stated that it was too early in the training program to recommend any changes, several noted that even though the paperwork was not extremely taxing, the Program should look at streamlining the amount of information required for the application process. This was the recommendation most often noted. Among other comments were the following:

- Increase the amount of funds that can be applied for, large companies have needs that are much larger than the $50,000 limit.
- Consider using a property tax credit rather than direct appropriation of funds.
- Clarify definitions of requirements of the Program (e.g., what is allowed for expenses, training costs, etc.)
- Improve public relations and advertising, would not have heard of the Program if a colleague had not mentioned it. Don't just rely on community colleges to notify all businesses.
- Allow funding of trade seminars and sponsor trade shows in Iowa for small businesses where new products, approaches, and technologies may be shared.
- Community colleges should provide more lead time when funds are available for the application process.
- Development of people skills and team building among employees should be weighted as high as increasing hard technology in the funding ratings in the application process.
- Better communication of deadlines from community colleges.

Future Business Trends

Finally, when asked about plans to diversify product lines or increase employment in the near future, most companies either did not know or were unwilling to discuss the issue at this time. However, a few noted that the reason for the training was product change or additional product lines.

Findings And Recommendations

The specific items which the LFB was directed to investigate were the following:

1. The number of loans, forgivable loans, or grants provided.

   Based on the information reviewed from the applications, no loans were provided; only forgivable loans and grants were issued to applicants. Of the participants, only consortia training projects received grants (7) and the remaining projects received forgivable loans (83). The DED commented that no business would apply for the funding if it had to accept a standard loan. The LFB was able to identify only two of the participating companies which had applied for and utilized any type of loan within the last three years for training purposes. These were from the Iowa Community Economic Betterment Program and the federal Small Business Administration, both provide forgivable loan programs.

2. The number of loans defaulted.

   To date no loans have defaulted, as the few projects that have finished the training have been in compliance with the contract (prior to final audit). Should any of the companies fail to complete the training or not comply with the comply with the contractual arrangements, the DED will determine the extent of default and require repayment of a portion or all of the forgivable loan.

3. The average size of the business receiving retraining assistance.

   The average number of employees among businesses being provided assistance through this Program is 508, with a range of from 9 to 2,770 employees.

4. The effect of the Program upon wages of participating workers and nonparticipating workers.

   Of those businesses receiving assistance, 24 specified that wages of employees would increase as a result of the training provided. Among those projects, projected increases in the amount of the wage varied from $0.05 per hour to $2.00 per hour. Currently, the LFB and the DED are working with the DES to determine whether these increases actually occurred and the likelihood that the employees would have received similar increases without the retraining, and what changes were made in the salaries of nonparticipating staff as well as salaries in the county and the industry on a statewide basis.

5. The effect of the retraining programs on the State's economy.

   The effects of the training projects on the State's economy cannot be estimated at this time, as so few of the companies involved have completed the training. It will be necessary to follow the progress of the individual companies for at least a year after the

project training ends to begin to estimate the impact on the economy. Currently, the LFB and the DED are working with the DES to collect both pre- and post-project data on the businesses that have participated to enable the estimation of the economic impact of the Program.

Based on the review by the LFB of the Job Retraining Program, the following recommendations and policy alternatives are offered.

1. The coordination of the Job Retraining Program should remain in the DED. Since this Program is operated through 15 different community colleges, it is necessary to have a central authority to coordinate and direct the Program. If Program coordination were transferred to community colleges, the consistency provided through the DED application review and Program monitoring and the accompanying administrative costs would be dispersed 15 different ways. This would actually increase administrative costs at the expense of central accountability of State dollars.

2. To improve Program planning for each fiscal year, the community colleges should submit a "probable" list of applications for the first six months of the fiscal year and the second six months of the fiscal year. Some of the community colleges had planned to expend additional FY 1991 funds which were to be reallocated after March 1, but which were deappropriated. This caused some frustration among community colleges and businesses.

3. The current statute requires a business to meet one of three criteria to be eligible for a grant or forgivable loan. They include: A) a net increase in the number of employment positions; B) a net increase in the wages paid to participating workers; or, C) a net increase in the quality of the employment positions held by participating workers. The majority of projects have been forgivable loans with only criteria "C" being met. Since an increase in the quality of an employment positions is a subjective decision and difficult to measure, it is recommended that the current statute be changed to eliminate this requirement. If the requirement remains, the DED should provide an objective/ measurable way to judge an increase in the quality of an employment position to remain within the intent of the law.

4. The DED should develop a proposal for an alternative funding mechanism for smaller companies of an employee size range determined by the DED, and consider either reducing or eliminating the required funding match of one-to-one. A different formula could be established to encourage the smaller companies to utilize the Program for meeting retraining needs. This should be presented to the Economic Development Appropriations Subcommittee during the 1992 Legislative Session for consideration.

5. The DED should request that the Department of Education, which is currently establishing rules for sharing incentives at community colleges, include incentives to have Job Retraining Program specialized instructors. This would permit the community colleges to share instructors for the Program, rather than have the instructors' specialization duplicated in more than the number of community colleges offering specialized instruction to employees in need of the retraining.

6. The DED and the community colleges should review their current evaluation forms and design a single form that will provide the information beneficial to both without duplicating the evaluation process for the business involved in the Program.

7. The Legislative Council should consider continuing this review through the end of FY 1993. This will allow all projects which received funding during FY 1990 to complete their individual training projects, and to allow at least one year for the collection of follow-up information relevant to the wages, level of employment, and business success of the companies which received assistance.

Departmental Response

The DED has reviewed the report and prepared a written response which is included in Appendix D.

Appendix A

Job Retraining Program Formula Allocation

MAS #	Community College	City	Share Factor	FY 1990 Allocation	FY 1990 Actual Utilization	FY 1990 Formula Allocation vs. Actual	FY 1991 Allocation	FY 1991 To-Date Utilization	FY 1991 Formula Allocation vs. Actual
1	Northeast Iowa Technical Institute	Calmar	8.64998	161,091	100,000	61,091	200,494	0	200,494
2	North Iowa Area Community College	Mason City	4.83434	90,031	100,000	(9,969)	112,053	100,000	12,053
3	Iowa Lakes Community College	Estherville	2.97279	55,363	0	55,363	68,905	68,319	586
4	Northwest Iowa Technical College	Sheldon	2.84233	52,934	54,004	(1,070)	65,881	18,714	47,167
5	Iowa Central Community College	Fort Dodge	5.82988	108,572	100,000	8,572	135,128	131,452	3,676
6	Iowa Valley Community College	Marshalltown	3.66941	68,337	88,404	(20,067)	85,052	75,536	9,516
7	Hawkeye Institute of Technology	Waterloo	6.78082	126,281	139,990	(13,709)	157,170	152,056	5,114
9	Eastern Iowa Community College	Davenport	9.08643	169,219	193,975	(24,756)	210,610	144,450	66,160
10	Kirkwood Community College	Cedar Rapids	10.86501	202,342	200,000	2,342	251,835	252,360	(525)
11	Des Moines Area Community College	Des Moines	18.4399	343,412	265,963	77,449	427,410	518,065	(90,655)
12	Western Iowa Tech Community College	Sioux City	6.67164	124,248	50,000	74,248	154,639	11,819	142,820
13	Iowa Western Community College	Council Bluffs	6.88234	128,172	50,000	78,172	159,523	92,696	66,827
14	Southwestern Community College	Creston	2.9224	54,425	0	54,425	67,737	0	67,737
15	Indian Hills Community College	Ottumwa	5.89933	109,865	112,087	(2,222)	136,738	116,476	20,262
16	Southeastern Community College	Burlington	3.65339	68,038	66,639	1,399	84,680	83,367	1,313
			99.99999	$ 1,862,330	$ 1,521,062	$ 341,268	$ 2,317,856	$1,765,310	$ 552,546

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Appendix B

Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
	FY 1990										
1	Eastern Iowa	Alcoa	Machine specific training on new cold mill process equipment for production and supervisory individuals.	Riverdale	1,000	102	No	150,000	50,000	NA (1)	
2	DMACC	Bridgestone/ Firestone	Skills training for maintenance workers & Statistical Process Control for management and production employees.	Des Moines	1,689	79	No	170,359	50,000	280B (2)	$783,521
3	Iowa Western	J.P. Industries	Just-in-Time training for cellular manufacturing arrangement and production employees.	Atlantic	274	260	Yes	100,000	50,000	280B NEBIT (3)	$97,000 $13,500
4	DMACC	Economy Data	Statistical Process Control training for management and production employees.	Des Moines	50	30	No	15,772	15,550	CEBA (4)	$275,000
5	DMACC	John Deere	Participative management & group problem solving for wage & salaried employees.	Ankeny	1,517	427	No	458,061	50,000	NEBIT	$38,070
6	Eastern Iowa	John Deere	Continuous Improvement Process training for wage & salaried employees.	Davenport	750	200	No	405,000	50,000	NEBIT	$22,690
7	Hawkeye Tech	John Deere	Skills building in preparation for Computer Numerically Controlled training for production machine operators.	Waterloo	2,770	36	No	80,000	50,000	Customized Training	$35,566
8	Eastern Iowa	Quad City Times	Machine Specific for production employees resulting from installation of new processing equipment.	Davenport	375	22	Yes	355,300	50,000	NA	
9	DMACC	Commercial Printing	Statistical Process Control for management & wage employees.	Des Moines	112	60	No	82,097	21,250	280B	$10,564
10	DMACC	Carroll Manufacturing	Safety & Customer Service training for management & wage employees.	Carroll	52	23	Yes	66,100	48,750	280B CEBA SBA (5)	$44,671 $35,000 $367,000
11	Kirkwood	Quaker Oats	Maintenance Cross Training to support installation of automated production equipment.	Cedar Rapids	1,365	97	No	1,000,000	50,000	NA	
12	Hawkeye Tech	Koehring Cranes	Quality Circle, Supervisory Skills, Auto-Cad, Weld Testing for supervisory, wage, & operations support people.	Waverly	600	154	No	121,820	32,542	280B	$42,915

Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
13	Indian Hills	Fairfield Aluminum	Just-in-Time for short production runs, Statistical Process Control for short production runs for salaried & wage employees.	Fairfield	148	136	No	48,356	12,087	CDBG (6) NEBIT	$251,500
14	NIACC	Fleetguard	Basic Skills assessment & resulting training available for all employees.	Lake Mills	578	520	No	NA	50,000	Customized Training	$5,120
15	NW IA Tech	Harvard Industries (KOOMIA)	Decision-Making & Problem Solving for all employees.	Rock Valley	215	215	No	83,000	21,572	Customized Training	$3,314
16	NW IA Tech	K-Products	Manufacturing Requirements Planning resulting from installation of computerized planning system for all employees.	Orange City	209	209	No	247,655	32,432	280B	$120,000
17	Eastern Iowa	Marley Pump	Statistical Process Control for supervising group & machine shop employees, & industrial math & blueprint reading in the machine shop.	Davenport	84	84	No	122,733	43,975	NEBIT	$1,000
18	Hawkeye Tech	Quamaco	Computer Numerical Controlled machine tools & inspection equipment for machine operators & Inspectors, & blueprint reading for all employees.	Winthrop	11	11	Yes	50,400	7,960	280B JTPA (7)	$21,000 $9,541
19	Indian Hills	John Deere	Drafting & Computer Aided Design for hourly employees.	Ottuma	909	46	No	256,353	50,000	NEBIT 280B	$12,449 $45,000
20	NEICC	John Deere	Computer Numerical Control for machinists, cnc operators & supervisors.	Dubuque	520	320	No	559,860	50,000	Customized Training	$7,995
21	NEICC	Flexsteel	Quality Improvement for administrative, upholstery plant, metal plant, & printing & sampling employees.	Dubuque	739	349	Yes	403,436	50,000	JTPA	$9,303
22	Iowa Central	WCI Laundary	Frontline Leadership for supervisors & managers in the Press Operations & Working for nonsupervisory employees in the Press Operations.	Webster City	1,212	210	No	187,259	50,000	JTPA 280B NEBIT Labor Mgmt. Council Training	$128,992 $585,000 $19,616 $4,424
23	Iowa Central	Land O' Lakes	Total Quality Management for supervisors & managers.	Fort Dodge	298	298	No	165,349	50,000	NEBIT	$4,284
24	DMACC	Delevan	Total Quality Management for production & salaried employees.	Des Moines	449	449	No	137,148	50,000	NA	

Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
25	DMACC	IMT Insurance (Withdrew their Award)	PC Training thru Interactive Video Instruction for Custromer Service Representatives, Rate Analysts, Word Processors, Typesetters, Secretaries, and P.R. Coordinator.	Des Moines	241	40	Yes	294,775	50,000	NA	
26	Kirkwood	Penford Products	Training in specialty chemical starch manufacturing for operators & managers.	Cedar Rapids	284	18	Yes	814,723	50,000	NA	
27	Kirkwood	Quaker Oats	Maintenance apprenticeship, computer, & safety training for mechanics, electricians, engineers, supervisors & managers.	Cedar Rapids	1,365	71	Yes	NA	50,000	NA	
28	Kirkwood	Consortium (Cascade Die Mold, Manuf. Specialties Inc., Oral-B, Square D Company)	Apprenticeship math, blueprint reading, metallurgy, & basic machine shop practices for machinists & tool & die mold makers.	Monticello/ Muscatine/ Cedar Rapids	1,195	53	Yes	132,500	50,000	280B FRED (8) CEBA CEBA 280B	$49,000 $460,000 $55,000 $100,000 $50,000
29	Indian Hills	Rockwell International	Ford Q1 Training, Geometric Tolerancing & Dimensioning, Essentials of Machine Shop Practice, Welding, Short Run SPC, Supervisory Training & Training Coordination will be provided to Manufacturing, Supervisory, Skilled Trades, & Plant Support employees.	Fairfield	472	287	No	143,455	50,000	280B	$650,000
30	South Eastern	Dupont	Statistical Process Control training for management & manufacturing employees.	Fort Madison	291	291	No	60,000	26,639	Carl Perkins (9) 280B	
31	South Eastern	Greyhound Dial	Positional/Departmental Analysis for employees in the Quality Control, Engineering, & Accounting Departments.	Fort Madison	625	24	No	92,288	40,000	280B Carl Perkins	$315,000 $2,140
32	Iowa Valley	Wheeler Consolidated	Statistical Process Control training for managers, engineers, estimators, bookkeepers, draftpersons, foremen, lead men, machine operators & production employees.	Iowa Falls	108	60	Yes	73,785	38,404	NA	
33	Iowa Valley	Consortium (Fisher Controls, KIOWA, & Cooper Manufacturing)	Productive maintenance utilizing interactive video instruction for maintenance electricians, & technicians, machine maintenance employees, plumbers & electricians.	Marshalltown	1,250	54	Yes	253,630	50,000	Customized Training	$1,000

Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
34	DMACC	AMATCO	Quality Improvement Education and CAD/CAM training for management, administrative, sales, & skilled machinist employees.	Johnston	31	19	No	33,413	30,413	NA	
35	NIACC	Eaton	Statistical Process Control Charts for Frontline Leadership, & Self-Managed Work Team training for supervisors, machine operators, & visual & pack employees.	Belmond	595	266	No	109,447	50,000	280B Customized Training	$450,000 $6,600
36	W. Iowa Tech.	Midwest Industries	Human Relations and Safety training to managers, supervisors, staff & hourly workers.	Ida Grove	312	50	No	66,700	50,000	NA	
37	DMACC	Greyhound Lines (Award denied by DMACC Board)	Personal Computer usage & Team Building training for clerical staff, computer operators, supervisors, managers, executives & other staff members.	Des Moines	725	272	No	12,320	11,082	280B	$145,633
38	Hawkeye Tech	Triangle Plastics	Blueprint Reading/Geometric Dimensioning & Tolerancing, Quality Education - Internal Processes, Safety Training, & Supervisor Training to Supervisors, Quality Technicians, Engineering, Production, Layout, Design, Production Managers, Support Staff, warehouse staff, & corporate/ office/ sales staff.	Winthrop	109	109	No	49,532	49,488	Customized Training	$1,462
				FY 1990 Total:		5,639		$ 7,095,531	$ 1,521,062		
	FY 1991										
1	DMACC	Economy Data	Continued Statistical Process Control training for additional management, sales, office & production employees.	Des Moines	50	40	No	31,413	18,443	CEBA 280B	$275,000 $67,606
2	DMACC	Bridgestone/ Firestone	Continued skills training for additional maintenance workers & continued Statistical Process Control plus bar coding for additional management & production employees.	Des Moines	1,689	91	No	175,793	50,000	280B	$783,521
3	DMACC	Lortex	Deming Management principles & Statistical Process Control training for office personnel, quilters, trimmers, bonding operators, shipping workers, repair/rework workers & managers.	Des Moines	41	23	No	15,776	15,565	Productivity Enhancement	$10,287

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Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
4	DMACC	John Deere	Computer Aided Design & Product Development System training for salaried & production employees.	Ankeny	1,517	110	No	98,600	50,000	NEBIT	$38,070
5	Hawkeye Tech	John Deere	Computer Numerical Control training for machine operators	Waterloo	2,770	40	No	376,298	50,000	Customized Training	$35,566
6	South Eastern	Sheaffer-Eaton	Quality & Customer Service, Cellular Manufacturing, Process Specifications, & Statistical Process Control training for production & machine operators; inspectors & adjustors; set-up, maintenance tool room & model shop operators.	Fort Madison	529	517	No	84,587	23,750	NA	
7	Iowa Western	Future Foam	Management Information System training for managers, sales staff, clerks, secretaries, & administrators.	Council Bluffs	66	66	Yes	122,400	50,000	CEBA NEBIT 280B	$125,000 $12,500 $50,000
8	DMACC	Delevan	Total Quality Management training including blue-print reading, Manufacturing Requirements Planning (MRPII), & geometric dimensioning & tolerancing training to production & salaried employees.	W. Des Moine	472	472	No	137,148	50,000	CEBA	$50,000
9	DMACC	Library Binding	Quality Improvement Education/ Implementation Program training for management, supervisory, administrative & production employees.	Des Moines	100	70	No	30,179	13,780	NA	
10	DMACC	John Deere Credit Services	Keyboard efficiency training for clerical & customer service staff, credit analysts, & program analysts.	Des Moines	388	100	No	126,230	50,000	280B	$598,985
11	Kirkwood	Norand	Computer Aided Design/ Computer Aided Engineering (CAD/CAE) training for engineers, designers, drafters, & system administrators.	Cedar Rapids	1,000	43	Yes	77,759	50,000	NA	
12	Hawkeye Tech	Blackhawk Engineering	Geometric dimensioning & tolerancing techniques for machine operators & managers.	Cedar Falls	75	20	Yes	27,211	18,033	JTPA	$38,205

Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
13	Eastern Iowa	Collis, Inc.	Industrial math, statistical process control, blueprint reading, computer numerical control, & communication/ management skills training for engineers, machine operators, production employees & supervisors.	Clinton	60	45	Yes	157,194	44,450	JTPA	$12,690
14	Indian Hills	Rubbermaid	Just-in-Time strategies & Materials Resource Planning (MRPII) for assemblers, maintenance, computer operators, managers & supervisors, clerks, material handling & scheduling staff.	Centerville	255	227	Yes	94,111	50,000	280B	$298,000
										NEBIT	$3,317
										NEBIT	$5,949
15	DMACC	ACME Printing	Quality Improvement Education/ Implementation Program for managers & supervisory staff.	Des Moines	92	60	No	25,094	18,480	NA	
16	DMACC	Kemin Industries	Statistical Process Control & Team Problem solving.	Des Moines	123	123	No	134,430	50,000	CEBA Grant	$25,000
										CEBA Loan	$75,000
										CEBA Grant	$25,000
										CEBA Loan	$25,000
										280B	$51,020
										280B	$147,445
										Iowa Resources	$12,500
17	DMACC	Quallis	Statistical Process Control & Team Problem Solving Implementation for line & office staff, lab, quality control, compounding, & warehouse staff, mechanics, managers & supervisors.	Des Moines	97	60	No	27,791	24,077	NA	
18	Kirkwood	DAD Manufacturing	Plant safety & continuous process improvement for foremen & welding, polishing, engineering & administrative staff.	Cedar Rapids	41	41	No	24,000	20,000	CEBA	$30,000
19	Kirkwood	Rural Consortium (Knapp Creek Rabbitry, Ellis Designs, Heirloom Baskets, Kerslake Farm, Port O' Johnny, Hox Hollow Hams, Country Bloomers, Wapsi Woods Gardens, & Fairfax Market & Green House)	Marketing, business skills, computer skills, & production techniques for managers, marketers, producers, & sales representatives.	Cedar Rapids	15	15	No	17,779	12,360		

Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
20	Kirkwood	Weyerhaeuser Paper	Mechanical and maintenance skills training.	Cedar Rapids	200	6	Yes	39,000	25,000	NA	
21	Iowa Central	Positech	Total quality management, technical skills, managerial and supervisory skills.	Laurens	81	57	Yes	53,418	50,000	NA	
22	Eastern Iowa	Sivyer Steel Corp.	Basic math/reading skills, quality improvement, quality control, technical casting skills.	Bettendorf	295	295	Yes	69,533	50,000	NEBIT	$1,290
23	NW IA Tech	Coilcraft, Inc.	DACUM Training - develop a curriculum for ongoing training and job task analysis.	Hawarden	234	142	Yes	54,392	50,000	NA	
24	Kirkwood	Thomas & Betts Corp.	Job task inventory, Statistical Process Control tools, training trainers.	Iowa City	149	85	Yes	292,600	50,000	NA	
25	Iowa Lakes	IA Lakes Resort Consortium	Supervisory training, customer service training.	Arnolds Park	300	256	No	18,418	18,319	NA	
26	Iowa Lakes	Lakes Area Business Consortium	Statistical Process Control.	Spirit Lake/Mi	544	544	No	184,266	50,000	CDBG Quality Coalition Productivity Enhancement	$60,000 $5,000 $4,110
27	Kirkwood	CRST, Inc.	Train trainers.	Cedar Rapids	350	350	Yes	32,000	20,000	280B	$100,000
28	Indian Hills	Fairfield Aluminum Castings, Rockwell, Lund, Shivvers	Methods for achieving world class total productive maintenance.	Fairfield Fairfield Ottumwa Corydon	782	10	No	52,029	50,000	280B NEBIT	$895,000 $22,302
29	DMACC	Carroll Manufacturing, Stone Printing	Statistical Process Control, respirator training, hazard communication team problem-solving	Carroll	81	77	No	68,712	36,354	280B CEBA SBA Loan	$46,671 $35,000 $105,000

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Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
30	Iowa Western	Paxton & Vierling Steel	Statistical Process Control, team problem-solving techniques, applied prblem solving.	Carter Lake	181	90	No	95,895	42,696	NA	
31	Indian Hills	Corporate Ed Resource Fairfield Software Inc., Advanced Info Mgmt	Microsoft Windows program training.	Fairfield Fairfield Fairfield	57	15	No	21,920	16,476	NA	
32	Iowa Central	Bagel Works	Specialized machine specific operation training.	Ellsworth	16	16	No	16,913	14,416	NA	
33	Iowa Central	Arko Laboratories	Specilized training in fermentation, freeze drying, ELISA testing and management skills.	Jewell	9	9	No	52,840	32,096	NA	
34	Kirkwood	Proctor & Gamble	Basic electricity, power distribution systems, motor applications.	Iowa City	703	17	Yes	106,479	50,000	NA	
35	Kirkwood	Pepco Litho Inc.	Statistical Process Control, teamwork, process improvement techniques and Total Quality Management.	Cedar Rapids	34	34	No	57,145	25,000	NA	
36	South Eastern	The Dial Corporation	Total Quality Management for a world class environment.	Fort Madison	625	70	No	160,300	46,860	NA	
37	DMACC	John Deere Des Moines Works	Computer skills instruction.	Des Moines	1,517	403	No	65,175	50,000	NA	
38	DMACC	Pirelli Armstrong Tire	Ergonomic training focused on avoiding cumulative trauma disorders & design tools to prevent it.	Des Moines	1,085	1,035	No	61,000	50,000	NA	
39	NW IA Tech	Harvard Industries	Standardized training of screw machine operation and train trainers.	Rock Valley	71	71	No	9,786	9,786	NA	
40	DMACC	Donnelly Marketing	Train trainers in PC applications & software utilization.	Nevada	314	181	No	32,010	15,846	NA	
41	DMACC	SteelWorks, Inc.	Statistcial Process Control, team problem-solving.	Des Moines	152	90	No	48,911	25,520	NA	

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Job Retraining Program

#	Community College	Business	Type of Project	City	# of Employees Total	# of Employees Retrained	Increase Avg. Hourly Wage After Training	Business Invest.	State Award	Other Job Training Awards Name of Programs	Other Job Training Awards Total $ Amount
42	Hawkeye Tech	Viking Pump	Statistical Process Control, PC Usage, supervisory development.	Cedar Falls	770	243	No	53,577	34,023	NA	
43	NW IA Tech	NOBL Laboratories	Tape training sessions on biological work.	Sioux Center	21	21	No	9,152	4,464	NA	
44	NW IA Tech	NOBL Laboratories	Tape training sessions on biological work.	Sioux Center	21	20	No	9,152	4,464	NA	
45	South Eastern	Hawkeye Steel Pdts	Statistical Process Control.	Houghton	117	70	Yes	23,060	12,757	Carl Perkins	$1,800
46	Iowa Valley	Monfort	Total Quality Management	Marshalltown	1,237	150	Yes	55,296	50,000	NA	
47	Hawkeye Tech	John Deere	Assessment, basic assembly, computer concepts.	Waterloo	1,000	130	No	387,500	50,000	Carl Perkins Retraining	$35,566 $100,000
48	NIACC	White-New Idea	Manufacturing requirements planning.	Charles City	630	60	No	85,390	50,000	NA	
49	Kirkwood	Curries Company	Management, customer service, production, order entry and processing.	Mason City	491	86	No	64,878	50,000	280B Carl Perkins	$565,000 $6,292
50	Iowa Central	Umthan Trucking	Technical services, commercial drivers license, supervisory skills.	Eagle Grove	428	251	No	83,742	34,940	NA	
51	Iowa Valley	Genpak	Statistical process control, printing.	Iowa Falls	100	32	No	25,536	25,417	NA	
52	W. Iowa Tech.	VT Industries	Quality and productivity training.	Holstein	202	101	No	19,219	11,819	NA	
53	W. Iowa Tech.	Midwest Industies	Ergnomics training	Ida Grove	163	120	No	14,000	12,500	Retraining	$50,000
54	W. Iowa Tech.	TurPak Foods	Ergonomics training.	Sioux City	320	320	No	38,635	38,330	280B	$31,000
				FY 1991 Total:		7,620		$ 4,245,672	$ 1,816,021		
				Grand Total:		13,259		$ 11,341,203	$ 3,337,083		

NOTES:

1) NA = Not applicable, not available, or not entered on the Retraining Application.
2) 280B = The Iowa Industrial New Jobs Training Program.
3) NEBIT = The federally funded New and Existing Business and Industry Training operated thru the Department of Education.
4) CEBA = The Community Economic Betterment Account.
5) SBA = The United States Small Business Administration.
6) CDBG = The federally funded Community Development Block Grant.
7) JTPA = The federally funded Job Training Partnership Act.
8) FRED = The Funding Rural Economic Development Program funded from the Iowa Community Development Loan Program.
9) Carl Perkins = Federal funds for vocational education.

Appendix C

JOB RETRAINING PROGRAM COMMUNITY COLLEGE SURVEY

College	Business	City	Participants Entering Retraining	Participants Completing Retraining	DED Evaluation	Internal Evaluation	Application Fee	Training Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
FY 1990								
DMACC	AMATCO	Johnston	19	In Progress	Planned	Planned	$1,100	$30,413
DMACC	Bridgestone/Firestone	Des Moines	79	In Progress	Planned	Planned	$1,500	$50,000
DMACC	Carroll Manufacturing	Carroll	23	In Progress	Planned	Planned	$1,500	$48,750
DMACC	Commercial Printing	Des Moines	80	In Progress	Planned	Planned	$700	$21,250
DMACC	Deleven	Des Moines	449	451	Yes	Yes	$1,500	$50,000
DMACC	Economy Data	Des Moines	30	30	Yes	Yes	$700	$15,550
DMACC	Greyhound Lines	Des Moines	Project denied by Community College Board of Directors.					
DMACC	IMT Insurance	Des Moines	Project proposal withdrawn by IMT Insurance.					
DMACC	John Deere	Ankeny	427	600	Yes	Yes	$1,500	$50,000
Iowa Western	J.P. Industries	Atlantic	260	260	Yes	Yes	$0	NA
Eastern Iowa	Alcoa	Riverdale	102	In Progress	No	No	$1,500	$0
Eastern Iowa	John Deere	Davenport	300	183	No	Yes	$1,500	$48,000
Eastern Iowa	Marley Pump	Davenport	84	84	No	Yes	$6,500*	$43,875
Eastern Iowa	Quad City Times	Davenport	22	22	No	No	$1,500	$0
Hawkeye Tech	John Deere	Waterloo	38	38	Yes	Yes	$1,500	$8,000
Hawkeye Tech	Koehring Cranes	Waverly	154	In Progress	Yes	Planned	$1,500	$2,500
Hawkeye Tech	Quamco	Winthrop	11	In Progress	Yes	Planned	$500	$0

* Application Fee and Administrative Fee

An explanation of Columns 4-9 appears on the last page.

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JOB RETRAINING PROGRAM COMMUNITY COLLEGE SURVEY

College	Business	City	Participants Entering Retraining	Participants Completing Retraining	DED Evaluation	Internal Evaluation	Application Fee	Training Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Hawkeye Tech	Triangle Plastics	Winthrop	109	In Progress	Yes	Planned	$1,500	$12,325
Indian Hills	Fairfield Aluminum	Fairfield	138	In Progress	Planned	Planned	$500	NA
Indian Hills	John Deere	Ottumwa	48	In Progress	Planned	Planned	$1,500	NA
Indian Hills	Rockwell International	Fairfield	287	In Progress	Planned	Planned	$1,500	NA
Iowa Central	Land O' Lakes	Fort Dodge	298	In Progress	Planned	Planned	$1,500	$0
Iowa Central	WCI Laundry	Webster City	298	In Progress	Planned	Planned	$1,500	$0
Iowa Valley	Consortium (Fisher Controls, KIOWA, & Cooper Manufacturing)	Marshalltown	Iowa Valley Community College did not respond to the Survey.					
Iowa Valley	Wheeler Consolidated	Iowa Falls						
Kirkwood	Consortium (Cascade Die Mold, Manuf. Specialties Inc., Oral-B, Square D Company)	Monticello, Muscatine, Cedar Rapids	Kirkwood Community College did not respond to the Survey.					
Kirkwood	Penford Products	Cedar Rapids						
Kirkwood	Quaker Oats	Cedar Rapids						
Kirkwood	UTA	Iowa City						
NEICC	Flexsteel	Dubuque	349	417	Planned	Yes	$500	NA
NEICC	John Deere	Dubuque	320	109	Planned	Yes	$500	NA
NIACC	Eaton	Belmond	288	In Progress	Yes	No	$0	NA
NIACC	Fleetguard	Lake Mills	520	In Progress	Yes	No	$0	$31,000
NW IA Tech	Harvard Industries	Rock Valley	215	215	Yes	Yes	$500	NA
NW IA Tech	K-Products	Orange City	209	209	Yes	Yes	$500	NA

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JOB RETRAINING PROGRAM COMMUNITY COLLEGE SURVEY

College (1)	Business (2)	City (3)	Participants Entering Retraining (4)	Participants Completing Retraining (5)	DED Evaluation (6)	Internal Evaluation (7)	Application Fee (8)	Training Cost (9)
South Eastern	Dupont	Fort Madison	201	In Progress	Planned	No	$1,000	$0
South Eastern	Greyhound Dial	Fort Madison	48	In Progress	Planned	No	$1,500	$0
W. Iowa Tech.	Midwest Industries	Ida Grove	102	102	Yes	Yes	$1,500	$50,000
FY 1991								
DMACC	ACME Printing	Des Moines	60	In Progress	Planned	Planned	$800	$18,480
DMACC	Bridgestone/ Firestone	Des Moines	91	In Progress	Planned	Planned	$1,500	$50,000
DMACC	Carroll Manufacturing, Stone Printing	Carroll	77	In Progress	Planned	Planned	$1,500	$38,354
DMACC	Delevan	W. Des Moines	472	In Progress	Planned	Planned	$1,500	$50,000
DMACC	Economy Data	Des Moines	40	In Progress	Planned	Planned	$800	$18,443
DMACC	John Deere	Ankeny	110	In Progress	Planned	Planned	$1,500	$50,000
DMACC	John Deere Credit Services	Des Moines	100	In Progress	Planned	Planned	$1,500	$50,000
DMACC	Kemin Industries	Des Moines	123	In Progress	Planned	Planned	$1,500	$50,000
DMACC	Library Binding	Des Moines	70	In Progress	Planned	Planned	$650	$13,780
DMACC	Lortex	Des Moines	23	In Progress	Planned	Planned	$800	$16,566
DMACC	Quality	Des Moines	80	In Progress	Planned	Planned	$800	$24,077

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JOB RETRAINING PROGRAM COMMUNITY COLLEGE SURVEY

College	Business	City	Participants Entering Retraining	Participants Completing Retraining	DED Evaluation	Internal Evaluation	Application Fee	Training Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Eastern Iowa	Collis, Inc.	Clinton	45	In Progress	No	Yes	$7,300*	$44,450
Eastern Iowa	Sivyer Steel Corp.	Bettendorf	295	In Progress	No	Yes	$8,000*	$40,850
Hawkeye Tech	Blackhawk Engineering	Cedar Falls	20	In Progress	Yes	Planned	$1,000	$3,770
Hawkeye Tech	John Deere	Waterloo	35	In Progress	Yes	Planned	$1,000	$9,800
Iowa Central	Positech	Laurens	No response on the Survey					
Iowa Central	IA Lakes Resort Consortium	Arnolds Park	241	In Progress	Planned	Planned	$0	NA
Iowa Lakes	Lakes Business Consortium	Spirit Lake/Milford	241	In Progress	Planned	Planned	$0	NA
Indian Hills	Rubbermaid	Centerville	227	In Progress	Planned	Planned	$4,545	NA
Indian Hills	Fairfield Aluminum Castings Rockwell, Lund, Shivvers	Fairfield, Ottumwa, Corydon	10	In Progress	Planned	Planned	$4,545	NA
Iowa Western	Future Foam	Council Bluffs	66	66	Yes	Yes	$0	NA
Iowa Western	Owen Industries	Carter Lake	90	90	Yes	Yes	$0	NA
Kirkwood	CRST, Inc.	Cedar Rapids	Kirkwood Community College did not respond to the Survey.					
Kirkwood	DAD Manufacturing	Cedar Rapids						
Kirkwood	Norand	Cedar Rapids						

* Application Fee and Administrative Fee

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JOB RETRAINING PROGRAM COMMUNITY COLLEGE SURVEY

College	Business	City	Participants Entering Retraining	Participants Completing Retraining	DED Evaluation	Internal Evaluation	Application Fee	Training Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Kirkwood	Rural Consortium (Knapp Creek, Rabbitry, Ellis Designs, Heirloom Baskets, Kerslake Farm, Port O' Johnny, Hox Hollow Hams, Country Bloomers, Wapsi Woods Gardens, & Fairfax Market & Greenhouse)	Cedar Rapids	Kirkwood Community College did not respond to the Survey.					
Kirkwood	Thomas & Betts Corp.	Iowa City						
Kirkwood	Weyerhaeuser Paper Co.	Cedar Rapids						
NW IA Tech	Coilcraft, Inc.	Hawarden	142	142	Yes	Yes	$500	$58,312
South Eastern	Sheaffer-Eaton	Fort Madison	512	In Progress	Planned	No	$500	$0

NOTES:

NA = Not available, not applicable, or no response on the survey.

Column 4: By retraining contract, the number of participants enrolled in the retraining project or the actual number of participants which were intially enrolled in the Program.

Column 5: By retraining contract, the number of participants completing the retraining project.

Column 6: Did the Department of Economic Development (DED) request an evaluation of the retraining project?

Column 7: Other than the DED evaluation in Column 6, did the community college perform an evaluation of the retraining project?

Column 8: By retraining contract, the amount of the application fee for the retraining project charged to the business by the community college.

Column 9: The total cost of training charged to the employer if the training is conducted by the community college.

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Appendix D

STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF ECONOMIC DEVELOPMENT
ALLAN T. THOMS, DIRECTOR

July 15, 1991

Dennis Prouty, Director
Legislative Fiscal Bureau
State Capitol
LOCAL

Dear Mr. Prouty:

The Department of Economic Development has received a draft copy of the Legislative Fiscal Bureau's evaluation of the Iowa retraining Program. We appreciate the thoroughness of the LFB staff in reviewing this complex program, and we generally agree with their findings and recommendations. Our responses to the specific recommendations listed on pages 13 and 14 follow.

1. The Department agrees.

2. The Department currently receives informal, verbal projections from community college personnel regarding Retraining activity throughout the year. We would certainly consider more formal methods of notification, and will pursue this matter with the community colleges.

3. The Department has noted that some quality of job issues are not readily quantifiable, such as when employees are given ownership in their positions, and their morale and productivity therefore improves. More importantly, we would like to point out that criteria "C" is defined in the legislation and does include criteria which are objective in nature. This definition refers to turnover, dollar value of wages, full-time vs. part-time, etc.

4. The Department agrees with this recommendation and plans to examine alternative mechanisms for serving very small companies.

5. The Department agrees with this recommendation and will pursue it further with the Department of Education.

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6. The Department feels that because the types of training that are undertaken are so diverse, it would be unfeasible to require a single evaluation form suitable to all projects. However, we will attempt to identify some common elements that can be included in all evaluations.

7. The Department agrees with this recommendation.

There are several other items in the report that bear comment, although most are simply clarifications:

Program Operations at IDED

Page 2 - We would like to elaborate on the composition of the Retraining Review Committee. The review committee initially consisted of seven members. Six members were Department staff, selected from various work units including Workforce Development, Business Development & Financial Assistance, and Existing Industry. The other member was a representative of the Department of Education. Currently, four Department staff independently review the applications and the entire committee meets to discuss problematic applications. In addition, the full committee meets on a quarterly basis to provide oversight and ensure consistency for the application review process.

Page three mentions the fees charged by the colleges to participating companies for application preparation and administrative purposes. We wish to note that not all colleges charge both fees. Some colleges may charge only an application fee, while others may only charge an administrative fee.

<u>IDED Staff Concerns and Recommendations</u>

On page 6, it is mentioned that IDED seeks an improved relationship with the community colleges with regard to over committing their funds. We actually believe that this issue is due to the limited funds available for the program, which leads some community colleges to deliberately stagger project applications so that they cross fiscal years, especially as the March 1 reallocation deadline approaches.

The final paragraph under the same category, the Department questions whether the term "competition" represents the cause of the matter. We do see the need to work in conjunction with the community colleges and the Department of Education to better coordinate courses and programs offered by the various colleges.

Results of Survey Of/And Interviews With Community College Staff

Application Procedure

Page 7 - The Department acknowledges that delays occurred in approving applications and executing contracts during the first several months of actual implementation due to the need to develop sound procedures, contract formats, and ensure common understanding of policies among all those involved with the program. Since this time, however, we have implemented a more streamlined review process which results in determinations being made within two weeks, and often within one week. We have achieved this time frame consistently except for the period during the Spring of 1991 when we received an abnormal number of applications just prior to the March 1 reallocation deadline and were simultaneously awaiting the results of deappropriations proposals.

Please note that the review criteria reflect the requirements set forth in the Code of Iowa, so we cannot unilaterally simplify them. We will, however, continue to review with the community colleges, businesses, labor officials, and other interested parties on an on-going basis, all aspects on the program with a view toward continually improving the program.

Award Notification

Page 8 - The Department makes the final determination regarding project awards to business applicants. The Department either notifies the business directly with an award letter (and sends a copy to the college), or the Department sends the award letter to the college, which in turn distributes the letter to the business (three colleges have requested this process). The community college board of directors approves the college's business selections for internal purposes, however, the board does not give final award approval once the application has been submitted to the Department.

Results of Survey of Business Participants

Recommended Program Modifications

The Department has recently completed a brochure regarding the Retraining Program, among others. This brochure is currently being distributed in an effort to better inform all Iowa firms about all of the State's training programs.

I hope this letter proves to be a helpful addition to the report prepared by the Legislative Fiscal Bureau. If there are any questions concerning it, please call Jeff Nall, Administrator of the Division of Workforce Development at 242-4779.

Sincerely,

Allan T. Thoms
Director